

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**APPROVAL OF STATE MENTAL HEALTH SERVICES ACT AGREEMENT
NO. 05-75524-000 WITH THE CALIFORNIA DEPARTMENT OF MENTAL HEALTH
FOR FISCAL YEARS 2005-06, 2006-07, AND 2007-08
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

REQUEST

1. Approve and accept the California Department of Mental Health's (State) Mental Health Services Act (MHSA) Community Services and Support (CSS) Plan Agreement No. 05-75524-000 with the County of Los Angeles - Department of Mental Health (DMH), allowing DMH to provide mental health services relating to the development, implementation, and performance reporting of the MHSA through DMH's Three-Year Program and Expenditure Plan (CSS Plan), effective February 14, 2006 through June 30, 2008. The total Amount of this Agreement for the entire agreement period is \$269,193,375. The amount for FY 2005-06 is \$71,564,306, FY 2006-07 is \$100,963,373, and FY 2007-08 is \$96,665,696, respectively.
2. Authorize the Director or his designee to sign two (2) copies of the MHSA Agreement No. 05-75524-000 and forward both originals to the State.
3. Approve and instruct the Chairman of your Board to sign and execute an original Resolution, specifying that your Board has approved the MHSA Agreement No. 05-75524-000.

PURPOSE/JUSTIFICATION

Approval of this Agreement will enable DMH to formalize the County's agreement with the State to implement the CSS Plan as approved by your Board on May 9, 2006. The Agreement will function as the authorization instrument for disbursement of MHSA funds from the State.

BACKGROUND

The MHSA, adopted by the California electorate on November 2, 2004, creates a new revenue source, administered by the State, for the transformation and expanded delivery of mental health services provided by State and county agencies.

After initial implementation, MHSA requires localities to transition to development of an integrated plan for the comprehensive system. Funding provided through MHSA will be used to transform the current mental health system from one that focuses primarily on clinical services into one in which DMH can partner with clients, their families, and their communities to provide "whatever it takes" to enable mental health clients to attain their

goals for recovery, and support the larger community in more effectively addressing mental health needs.

DMH initiated a fast-paced planning process in 2004 to develop the CSS Plan. Participants in the planning process included people who receive services, family members, community leaders, community service providers, staff from County departments including DMH, and many others.

Using State guidelines that stipulated a range of services that could be funded with CSS money, stakeholders developed services with the intent of transforming the system. They recommended moving away from traditional approaches that tend to emphasize illness to a focused approach that promotes recovery, wellness, and continuing improvement among individuals with mental illnesses.

After obtaining your approval on October 11, 2005, DMH submitted the CSS Plan to the State. The State granted its final approval for the Los Angeles County Plan on February 14, 2006. On May 9, 2006, your Board authorized the Director of DMH to accept MHSA funding from the State to implement the CSS Plan. The MHSA-CSS Agreement, effective for the period of February 14, 2006, through June 30, 2008, will allow DMH to provide CSS services for Los Angeles communities and mental health consumers consistent with the approved CSS Plan.

A number of counties have raised concerns regarding language contained in this proposed Agreement that could create or imply a Health Insurance Portability and Accountability Act (HIPAA) business associate relationship between the State and County where none exists, and between the County and its contractors that restricts the use and/or disclosure of information otherwise permitted by State and Federal law, that mandates excessive or preclusive security measures, and that allows the State to amend the contract at its sole discretion. Recently, revised language has been developed by the State that has addressed the major concerns. We anticipate that this language will be incorporated into this Agreement by the State through an Amendment. In the meantime, DMH believes it is advisable to provisionally execute this Agreement in its current state to avoid any potential interruption of program delivery or funding.

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